

(D) in subsection (b)(3)—
 (i) in subparagraph (A), by striking “, or association of such facilities.”; and
 (ii) in subparagraph (B)—
 (I) by striking “or association of such facilities”; and
 (II) by striking “or associations”; and
 (E) by striking subsection (i).
 (2) **EXTENSION OF LENGTH OF CONTRACTS.**—Section 1153(c)(3) of the Social Security Act (42 U.S.C. 1320c–2(c)(3)) is amended—
 (A) by striking “three years” and inserting “five years”; and
 (B) by striking “on a triennial basis” and inserting “for terms of five years”.
 (3) **AUTHORITY TO TERMINATE IN A MANNER CONSISTENT WITH THE FEDERAL ACQUISITION REGULATION.**—Section 1153 of the Social Security Act (42 U.S.C. 1320c–2) is amended—
 (A) in subsection (b), by adding at the end the following new paragraph:
 “(4) The Secretary may consider a variety of factors in selecting the contractors that the Secretary determines would provide for the most efficient and effective administration of this part, such as geographic location, size, and prior experience in health care quality improvement. Quality improvement organizations operating as of January 1, 2012, shall be allowed to compete for new contracts (as determined appropriate by the Secretary) along with other qualified organizations and are eligible for renewal of contracts for terms five years thereafter (as determined appropriate by the Secretary).”;
 (B) in subsection (c), by striking paragraphs (4) through (6) and redesignating paragraphs (7) and (8) as paragraphs (4) and (5), respectively; and
 (C) by striking subsection (d).
 (4) **ADMINISTRATIVE IMPROVEMENT.**—Section 1153(c)(5) of the Social Security Act (42 U.S.C. 1320c–2(c)(5)), as redesignated by this subsection, is amended to read as follows:
 “(5) reimbursement shall be made to the organization on a monthly basis, with payments for any month being made consistent with the Federal Acquisition Regulation.”.
 (c) **AUTHORITY FOR QUALITY IMPROVEMENT ORGANIZATIONS TO PERFORM SPECIALIZED FUNCTIONS AND TO ELIMINATE CONFLICTS OF INTEREST.**—Part B of title XI of the Social Security Act (42 U.S.C. 1320c et seq.) is amended—
 (1) in section 1153—
 (A) in subsection (b)(1), as amended by subsection (b)(1)(B), by inserting after the first sentence the following new sentence: “In entering into contracts with such qualified organizations, the Secretary shall, to the extent appropriate, seek to ensure that each of the functions described in section 1154(a) are carried out within an area established under subsection (a).”;
 and
 (B) in subsection (c)(1), by striking “the functions set forth in section 1154(a), or may subcontract for the performance of all or some of such functions” and inserting “a function or functions under section 1154 directly or may subcontract for the performance of all or some of such function or functions”; and
 (2) in section 1154—
 (A) in subsection (a)—
 (i) in the matter preceding paragraph (1)—
 (I) by striking “Any” and inserting “Subject to subsection (b), any”; and
 (II) by inserting “one or more of” before “the following functions”;
 (ii) in paragraph (4), by striking subparagraph (C);
 (iii) by inserting after paragraph (11) the following new paragraph:
 “(12) As part of the organization’s review responsibility under paragraph (1), the organization shall review all ambulatory surgical procedures specified pursuant to section 1833(i)(1)(A) which are performed in the area, or, at the discretion of the Secretary, a sample of such procedures.”; and
 (iv) in paragraph (15), by striking “significant on-site review activities” and all that follows

before the period at the end and inserting “on-site review activities as the Secretary determines appropriate”.

(B) by striking subsection (d) and redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(C) by inserting after subsection (a) the following new subsection:

“(b) A quality improvement organization entering into a contract with the Secretary to perform a function described in a paragraph under subsection (a) must perform all of the activities described in such paragraph, except to the extent otherwise negotiated with the Secretary pursuant to the contract or except for a function for which the Secretary determines it is not appropriate for the organization to perform, such as a function that could cause a conflict of interest with another function.”.

(d) **QUALITY IMPROVEMENT AS SPECIFIED FUNCTION.**—Section 1154(a) of the Social Security Act (42 U.S.C. 1320c–3(a)) is amended by adding at the end the following new paragraph:
 “(18) The organization shall perform, subject to the terms of the contract, such other activities as the Secretary determines may be necessary for the purposes of improving the quality of care furnished to individuals with respect to items and services for which payment may be made under title XVIII.”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contracts entered into or renewed on or after January 1, 2012.

SEC. 262. RATES FOR MERCHANDISE PROCESSING FEES.

(a) **FEES FOR PERIOD FROM JULY 1, 2014, TO NOVEMBER 30, 2015.**—For the period beginning on July 1, 2014, and ending on November 30, 2015, section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be applied and administered—

(1) in subparagraph (A), by substituting “0.3464” for “0.21”; and

(2) in subparagraph (B)(i), by substituting “0.3464” for “0.21”.

(b) **FEES FOR PERIOD FROM OCTOBER 1, 2016, TO SEPTEMBER 30, 2019.**—For the period beginning on October 1, 2016, and ending on September 30, 2019, section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be applied and administered—

(1) in subparagraph (A), by substituting “0.1740” for “0.21”; and

(2) in subparagraph (B)(i), by substituting “0.1740” for “0.21”.

SEC. 263. TIME FOR REMITTING CERTAIN MERCHANDISE PROCESSING FEES.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, any fees authorized under paragraphs (9) and (10) of section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a) (9) and (10)) with respect to processing merchandise entered on or after October 1, 2012, and before November 12, 2012, shall be paid not later than September 25, 2012, in an amount equivalent to the amount of such fees paid by the person responsible for such fees with respect to merchandise entered on or after October 1, 2011, and before November 12, 2011, as determined by the Secretary of the Treasury.

(b) **RECONCILIATION OF MERCHANDISE PROCESSING FEES.**—

(1) **IN GENERAL.**—Not later than December 12, 2012, the Secretary of the Treasury shall reconcile the fees paid pursuant to subsection (a) with the fees for services actually provided on or after October 1, 2012, and before November 12, 2012.

(2) **REFUNDS OF OVERPAYMENTS.**—

(A) After making the reconciliation required under paragraph (1), the Secretary of the Treasury shall refund with interest any overpayment of such fees made under subsection (a) and make proper adjustments with respect to any underpayment of such fees.

(B) No interest may be assessed with respect to any such underpayment that was based on the amount of fees paid for merchandise entered on or after October 1, 2012, and before November 12, 2012.

MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senator MORAN to be recognized for up to 10 minutes; that following his remarks that the Senate recess subject to the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas.

MIDDLE EAST PEACE

Mr. MORAN. Madam President, this is a historically significant week for the United States and for all those who care about peace and stability in the Middle East. As we know, it is a region that is already roiled by protests and war and faces the prospect now of even more tension, more uncertainty, and potentially more violence.

We know this to be the case if the Palestinian Authority’s President Abbas goes forward with his plan to seek recognition of Palestinian statehood at the United Nations in New York. We have known for some time that this was coming and, thankfully, the U.S. Government has expressed opposition to this ill-conceived idea, and the administration plans to direct a veto of the measure.

Our government has also worked to persuade other nations to join us in opposing the Palestinian statehood bid. But I am afraid we have not done enough to convince the Palestinians there will be consequences for their actions.

By pursuing recognition of a state at the U.N., President Abbas is choosing confrontation rather than negotiations with Israel. In doing so, he is violating the Oslo peace agreements signed 18 years ago which state that the conflict between Israel and the Palestinians must be solved through direct negotiations between the two parties. Direct negotiations are not just the best way to achieve peace, they are the only way to achieve lasting peace.

Direct negotiations are meant to bring the two sides to the finish line, where all the final status issues, including borders, can be resolved. By rejecting negotiations with Israel and appealing to the U.N., the Palestinians are trying to make the previous agreed-upon finish line the new start line. If President Abbas pursues statehood this week at the U.N., the Palestinians will find it more difficult to